GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7386
ANSWERED ON:12.05.2000
INVESTMENTS MADE BY FIIS
VENKATA KRISHNAM RAJU UPPALAPATI

Will the Minister of FINANCE be pleased to state:

(a) the net investment made by Foreign Investment Institutions (FIIs) in the capital market during the current year upto 1st half of April and how does it compare with the relevant period of the previous year;

(b) the total investments made by FIIs during the last three years in the country and what are the unwinded positions in the debt market, year-wise; and

(c) the efforts are being made by the Government to attract more investments by the FIIs, with the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(BALASAHEB VIKHE PATIL)

(a): The Securities and Exchange Board of India (SEBI) has informed that Foreign Institutional Investors (FIIs) had made a net investment of Rs. 6548.30 crores during the current year upto first half of April, 2000 as compared to the net investment of Rs. 1475.80 crores during the corresponding period of the previous year.

(b): According to SEBI, the net investments made by FIIs during the last three years in the country are as follows:

1997-98	+ Rs. 5957.43 crores
1998-99	(-) Rs. 1584.35 crores
1999-2000	+ Rs. 10121.93 crores

According to information provided by SEBI and RBI, the data on unwinded positions in the debt market is not maintained by them.

(c): In order to attract FII investments, Government makes necessary changes in the FII investment policy from time to time. Some of the changes made by the Government are given below:

a) permitting FIIs to invest in Government dated securities and Treasury bills. b) Increasing individual investment limit of FIIs/sub accounts from 5% to 10% of the paid up capital of a company. c) Increasing the aggregate limit of FII investment in an individual company from 30% to 40%.